

UNIT 53 TASK ORDER CONTRACTING

_____ has satisfactorily completed on-the-job training in the Part or Parts of this Unit specified below.

Certification for Part A: Establishing Task Order Contracts

Duty	Establish task order contracts.
Conditions	Given a purchase request, recurring requirements for services, and a determination to satisfy the requirement by establishing a task order contract
Overall Standard(s)	Identify and correctly apply the policies and procedures for establishing task order contracts.
Evaluator	Name _____
	Title _____
	Date _____

Certification for Part B: Ordering

Duty	Order against a task order contract
Conditions	Given a single or multiple award contract and a purchase request
Overall Standard(s)	Correctly determine whether the requirement is within scope. Properly adhere to the contract's ordering procedures and selection criteria. Fairly consider all awardees for each order (where such consideration is required).
Evaluator	Name _____
	Title _____
	Date _____

UNIT 53 TASK ORDER CONTRACTING

DOCUMENTATION OF OJT ASSIGNMENT(S)
Description of Assignment:
Evaluation:
Completion Date:

As needed, insert additional pages to record OJT assignments.

UNIT 53 TASK ORDER CONTRACTING

Policies

<i>FAR</i>	<i>Agency Suppl.</i>	<i>Subject</i>
16.5		Indefinite delivery contracts.
52.216-18 through 22 52.216-27 and 28		Related clauses.

Coverage of Task Order Contracts

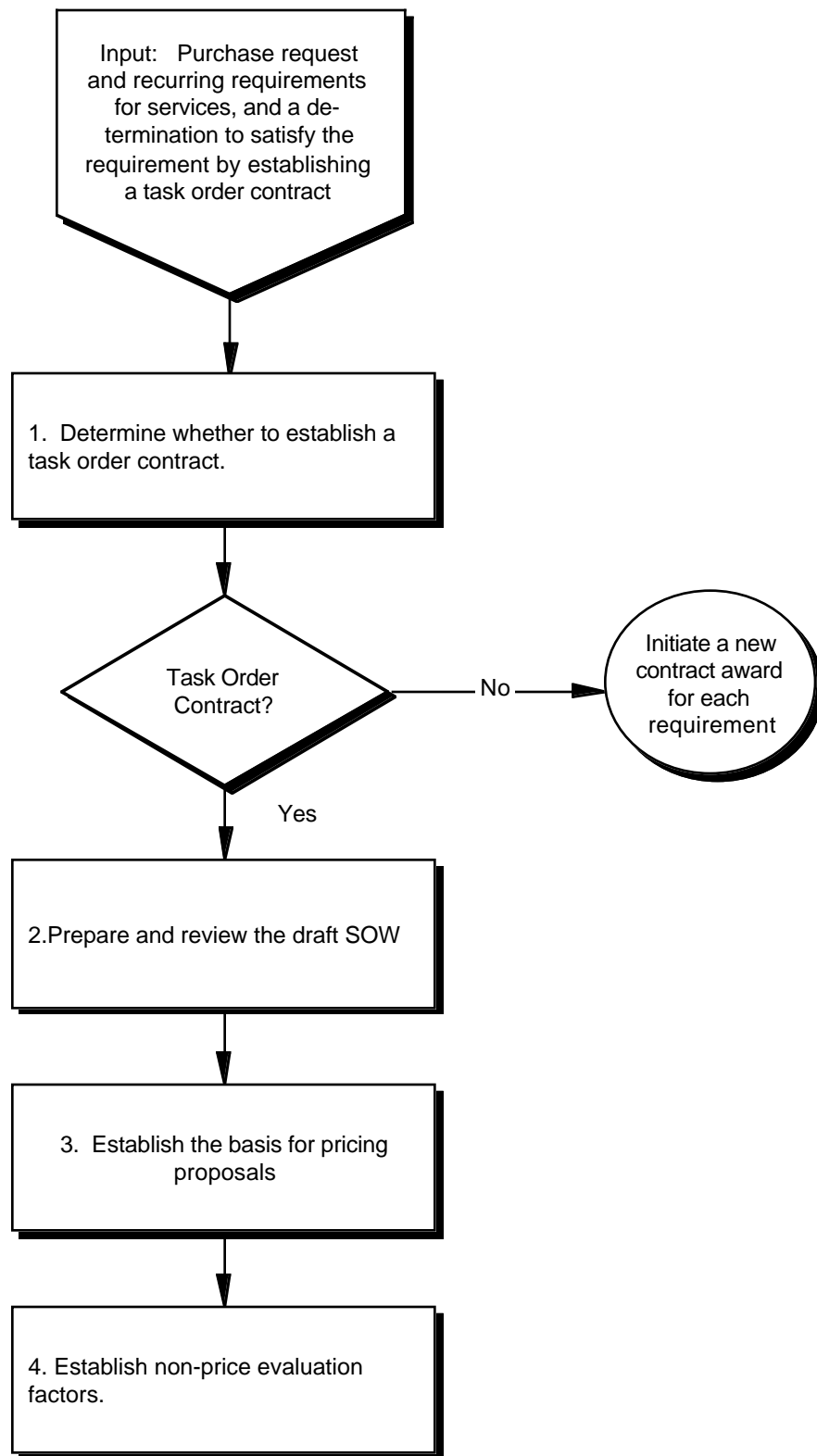
☞ For the first time, FAR Part 16 explicitly covers task order contracting. The FAR defines a task order contract as “a contract for services that does not procure or specify a firm quantity of services (other than a minimum or maximum quantity) and that provides for the issuance of orders for the performance of tasks during the period of the contract.” In contrast, the FAR defines a delivery order contract as a contract “for supplies that does not procure or specify a firm quantity of supplies (other than a minimum or maximum quantity) and that provides for the issuance of orders for the delivery of supplies during the period of the contract.” [§16.501-1, FAC 90-33, Case 94-711]

☞ Delivery and task order contracts are indefinite delivery contracts, for use in conjunction either with requirements or indefinite-quantity terms and conditions. [§15.501, FAC 90-33, Case 94-711]

Other KSA's

Other Policies and References (Annotate As Necessary):

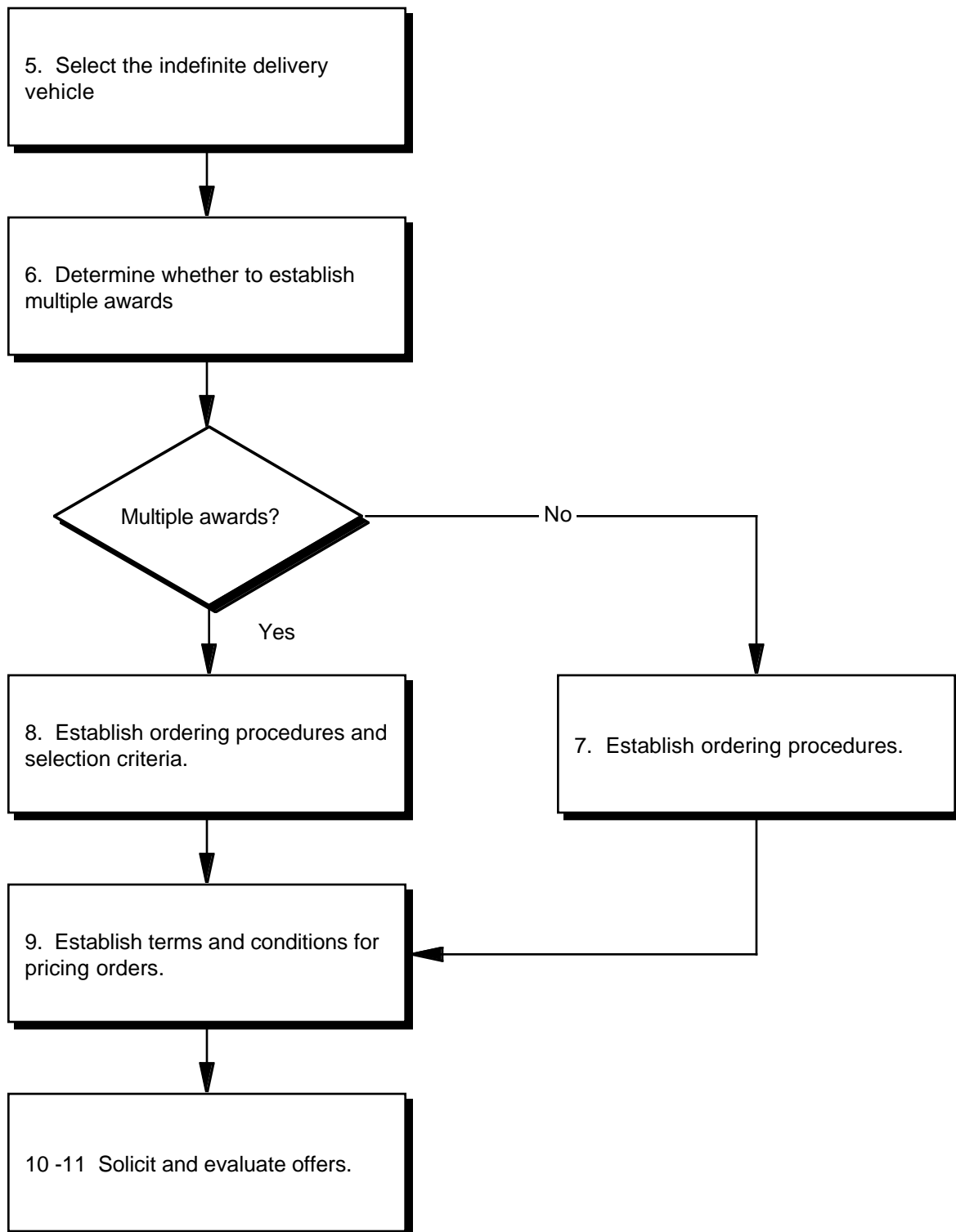
ESTABLISHING TASK ORDER CONTRACTS



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ESTABLISHING TASK ORDER CONTRACTS

(Flowchart continued from prior page)



UNIT 53 TASK ORDER CONTRACTING

Part A: Establishing Task Order Contracts

Tasks

Related Standards

1. Determine whether to establish a task order contract.	A1. Meet the standards for Unit 5.
<p>2. Prepare and review the draft SOW.</p> <p>Also identify and include:</p> <ul style="list-style-type: none"> • The number of options and period for which the contract may be extended under each option. [§16.504((a)(4)(i))] • Terms and conditions required or necessary regarding minimum or maximum limits on the contractor's obligation to deliver and the Government's obligation to order. [§16.503(a) and §16.504(a)] • Terms and conditions required or necessary regarding maximum or minimum quantities that the Government may order under each individual order and the maximum that it may order during a specified period of time. [§16.503(a) and §16.504(a)] 	<p>A2. The SOW "reasonably describes the general scope, nature, complexity, and purpose of the supplies or services to be acquired under the contract in a manner that will enable a prospective offeror to decide whether to submit an offer." [§16.504((a)(4)(ii))]</p> <p>If the contract is for advisory and assistance services, the ordering period generally may NOT exceed five years (counting all options and modifications). [§16.505(c), FAC 90-33, Case 94-711]</p>
<p>3. Establish the basis for pricing proposals as part of the source selection for award of the overall contract.</p> <p>Among alternatives for task order contracts, you might require offerors to:</p> <ul style="list-style-type: none"> • Submit "past performance" information on prices paid by other customers for benchmark tasks and/or their track record in partnering with buyers to reduce total life cycle costs of the services over time. • Price sample tasks or (if an indefinite quantity type of contract) the first tasks that definitely will be ordered. • Propose a fixed price for each type of task (e.g., \$20 for oil changes). • Propose fixed rates for different types of labor, with the negotiation for each order to center on number of hours required by labor category. • Propose maximum rates (i.e., ceilings) for each type of labor, with the awardee or awardees allowed to propose lower rates when being considered for any individual order. 	A3.

UNIT 53 TASK ORDER CONTRACTING

Part A: Establishing Task Order Contracts

Tasks

Related Standards

<p>4. Establish non-price evaluation factors.</p> <p>In particular, consider factors related to —</p> <ul style="list-style-type: none">• Past performance.• Key personnel (qualifications, available time, and contractual language to ensure that the contractor uses personnel of equal or better qualifications for work under the contract).• Performance of sample tasks.• Management controls.	<p>A4. Meet the standards for Unit 16.</p>
<p>5. Select the indefinite delivery vehicle.</p> <p>Note: The FAR encourages use of an indefinite quantity contract rather than a requirements contract. Indefinite quantity, multiple award task order contracts tend to guarantee each awardee a stipulated minimum amount of work. [§16.501 and §16.505(b)(2)(iv), FAC 90-33, Case 94-711]</p>	<p>A5.</p>

UNIT 53 TASK ORDER CONTRACTING

Part A: Establishing Task Order Contracts

Tasks

Related Standards

<p>6. Determine whether to establish multiple awards.</p>	<p>A6. Generally plan to make multiple awards. Only plan on a single award when you can demonstrate that a single award is in the best interests of the Government, for such reasons as the following.</p> <ul style="list-style-type: none">• Only one contractor is capable of providing performance at the level of quality required because the deliverable is unique or highly specialized.• Market research indicates that the Government will get more favorable terms and conditions, including pricing, if a single award is made.• The cost of administration of multiple contracts would probably outweigh any potential benefits.• Likely tasks are so integrally related that only a single contractor can reasonably perform the work. <p>[§16.504(c)(1), FAC 90-33, Case 94-711]</p> <p>You must make multiple awards if a contract for advisory and assistance services would exceed 3 years and \$10,000,000 (including options). [§§16.503(d) and 16.504(c)(2), FAC 90-33, Case 94-711.] There are only three exceptions to this requirement.</p> <ul style="list-style-type: none">• Prior to soliciting, the contracting officer (or other designated official) determines in writing that the services required under the task order contract are so unique or highly specialized that it is not practicable to award more than one contract (e.g., because likely tasks are so integrally related that only a single contractor can reasonably perform the work).• After evaluating offers, the contracting officer (or other designated official) determines in writing that only one offeror is capable of providing the services required at the level of quality required.• Only one offer is received.
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UNIT 53 TASK ORDER CONTRACTING

Part A: Establishing Task Order Contracts

Tasks

Related Standards

<p>7. If the decision is single award, establish ordering procedures.</p>	<p>A7. Only delegate ordering authority to individuals who have the proper training and ability to properly carry out delegated authority.</p> <p>Key issue -- on task order contracts, should the contracting officer delegate authority to place orders to CORs or other ordering officials? This may be possible when the task order contract establishes a fixed price for each task (e.g., \$2,000 + travel to conduct each session of "Cost Analysis"). Delegating such authority may NOT be advisable if the task order contract only establishes labor rates and provides for negotiating material costs and labor hours order by order. In that case, only delegate ordering authority to personnel trained in cost analysis and negotiation techniques.</p>
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UNIT 53 TASK ORDER CONTRACTING

Part A: Establishing Task Order Contracts

Tasks	Related Standards
<p>8. If the decision is multiple award, establish selection criteria and ordering procedures in the solicitation.</p> <p>[§6.001(f), §16.504(a)(4) and §16.505(b), FAC 90-33, Case 94-711].</p>	<p>A8. Contracting officers have broad discretion regarding the factors that are relevant to the placement of orders. When drafting such procedures:</p> <ul style="list-style-type: none"> • Avoid methods (such as allocation) that would not result in fair consideration being given to all awardees prior to placing each order. (However, particularly with respect to an indefinite-quantity contract, it may be necessary to place an order with each awardee to “satisfy a minimum guarantee” (see §16.505(b)(2)(iv))). • You may allow the use of oral proposals and streamlined ordering procedures. • The ordering procedures need NOT comply with the competition requirements of Part 6. The Government does NOT have to prepare formal evaluation plans for placing an individual order. The Government does NOT have to score or rank quotes and offers from awardees when considering them for an order. • The contract’s ordering procedure may expressly authorize the Government to NOT contact every awardee prior to placing an order. This may be appropriate when: <ul style="list-style-type: none"> – The contracting officer has sufficient information to fairly consider every awardee for the order based on the selection criteria stated in the contract, OR – There is an applicable exception under §16.505(b)(2) to the “fair consideration” requirement. <p>For example, the contract’s stated ordering procedures may allow the use of past performance information from previous task orders as a screen in selecting awardees for informal solicitations of offers on an upcoming order.</p>
<p>9. Establish the terms and conditions for pricing individual task orders.</p>	<p>A9. You may provide for any appropriate cost or pricing arrangement. [§16.501-2(c), FAC 90-33, Case 94-711]</p>

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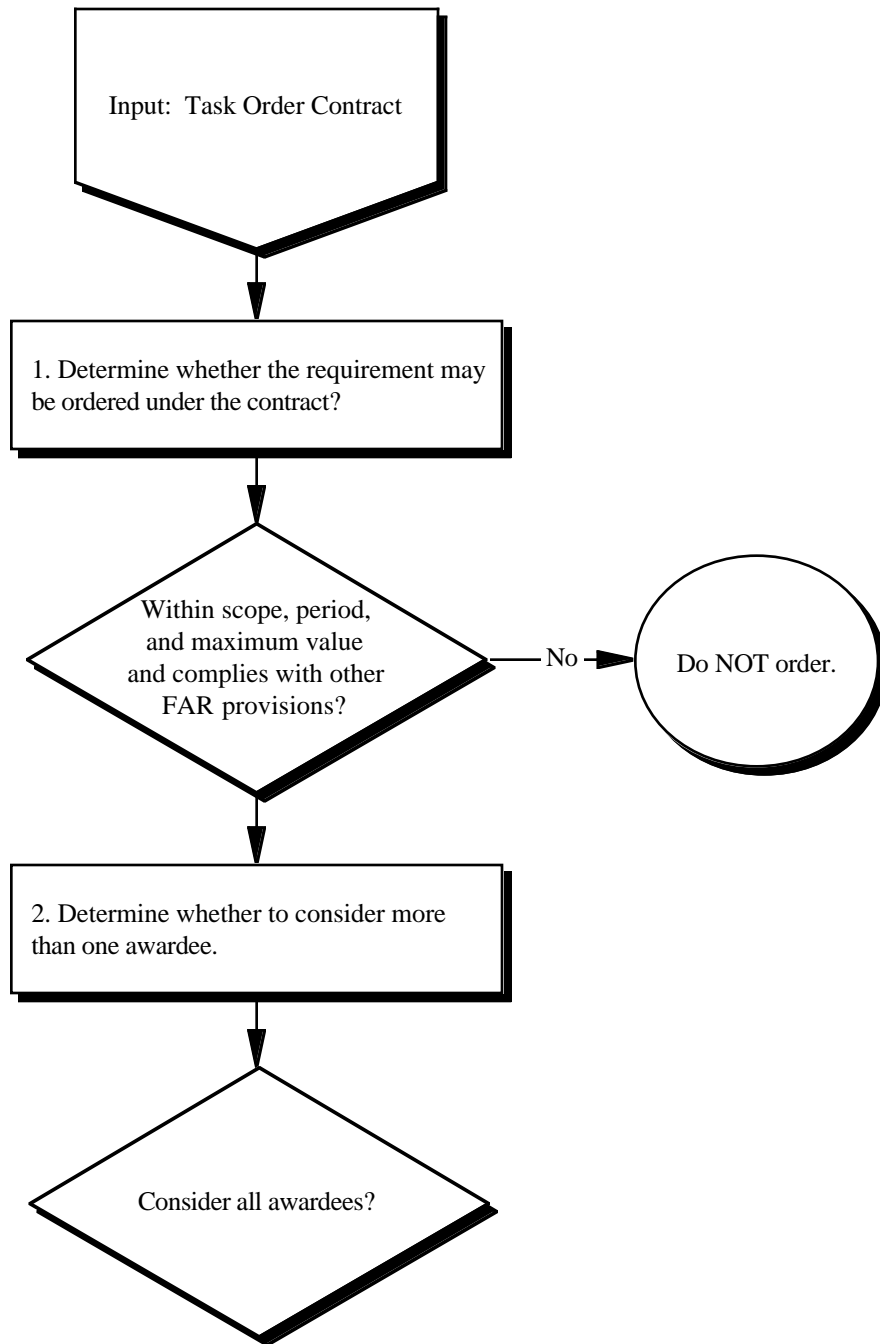
Part A: Establishing Task Order Contracts

Tasks

Related Standards

<p>10. Solicit and evaluate offers.</p> <p>When preparing solicitations for task order contracts:</p> <ul style="list-style-type: none">• Insert the provision at §52.216-27, Single or Multiple Awards, in solicitations for indefinite quantity contracts that may result in multiple contract awards. Do NOT use this provision, however, in solicitations for advisory and assistance services contracts that exceed three years and \$10,000,000 (including all options).• Insert the provision at 52.216-28, Multiple Awards for Advisory and Assistance Services, in solicitations for task order contracts for advisory and assistance services that exceed three years and \$10,000,000 (including all options) unless a determination has been made under 16.504(c)(2)(i)(A).• You may modify these provisions to specify the number of awards the Government reasonably estimates that it may make.	<p>A10. Meet standards for Units 24 through 52.</p>
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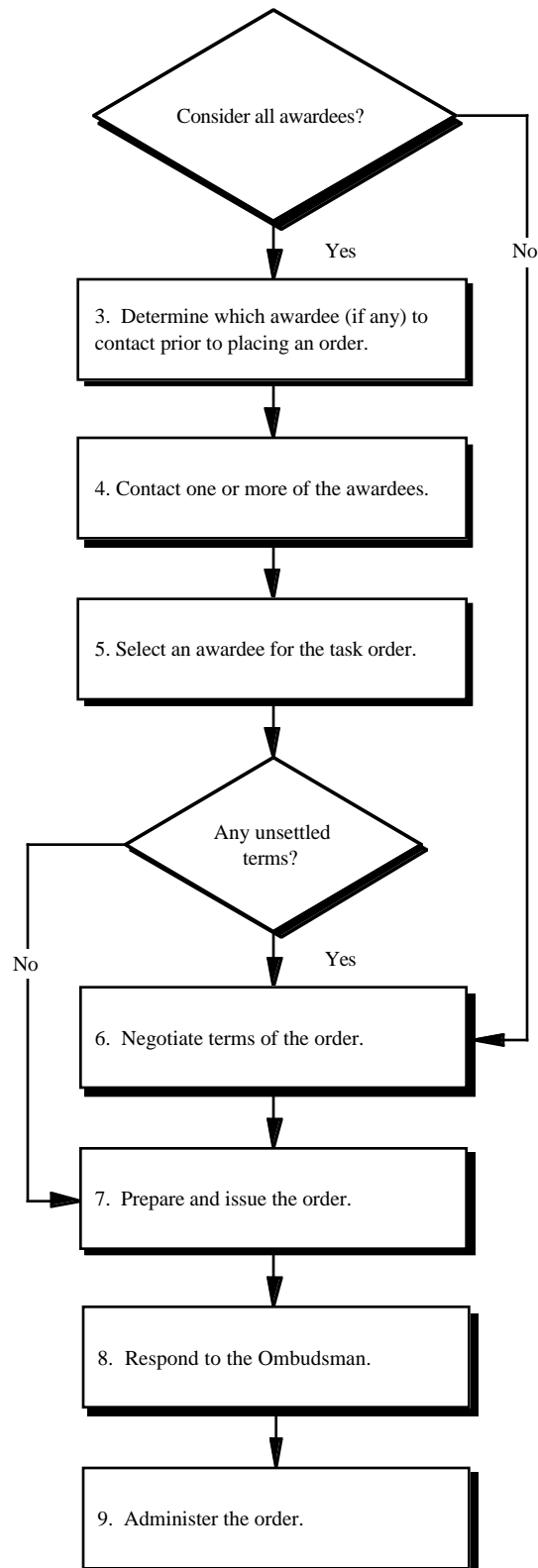
ORDERING



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ORDERING

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UNIT 53 TASK ORDER CONTRACTING

Part B: Ordering

Tasks

Related Standards

<p>1. Determine whether the requirement may be ordered under the contract.</p>	<p>B1. Only order against the contract when the order would:</p> <ul style="list-style-type: none">• Clearly describe all services to be performed or supplies to be delivered.• Be within scope, period and maximum value of the contract. [§16.505(a)(2), FAC 90-33, Case 94-711]• NOT be barred by any other limitations (e.g., on nonpersonal services) in the contract or the FAR.• Be in line with all restrictions on advisory and assistance contracts (FAR subpart 9.5).
<p>2. Determine whether to consider all awardees for the order</p> <p>If only one awardee will be considered, go to task 6.</p>	<p>B2. Consider a single awardee for a particular order in excess of \$2,500 ONLY IF one or more of the following apply.</p> <ul style="list-style-type: none">• Considering all awardees would result in unacceptable delay given the urgency of the need.• Only one awardee can provide the services or supplies of the required quality given the unique or highly specialized nature of the requirement.• A sole-source order is in the interest of economy and efficiency as a logical follow-on to an order already issued under the contract, provided that all awardees were given a fair opportunity to be considered for the original order.• An order must be placed with the awardee to satisfy a minimum guarantee. [§16.505(b)(2), FAC 90-33, Case 94-711]

UNIT 53 TASK ORDER CONTRACTING

Part B: Ordering

Tasks	Related Standards
<p>3. Determine which awardees (if any) to contact prior to placing an order.</p> <p>Subtasks:</p> <ul style="list-style-type: none"> Identify information necessary to consider the awardees. Determine the extent to which needed information is already in hand. Apply selection criteria from the contract to exclude as many awardees as possible from further consideration prior to informally soliciting offers and/or negotiating terms of the order. Select one or more awardees for pre-order contact. 	<p>B3. You must contact an awardee prior to placing an order if:</p> <ul style="list-style-type: none"> The contract requires pre-placement notification to all awardees, OR You do not have all information necessary to fairly consider the awardee for the order. [§16.505(b)(1), FAC 90-33, Case 94-711] <p>Absent pre-placement notification requirements, contact NO awardee if all necessary information is on hand to place an order (e.g., if awardees electronically update fixed prices for specified tasks on a real-time, continuous basis).</p> <p>Comply with the contract's evaluation procedures and selection criteria in excluding awardees from pre-order contact.</p> <p>Document reasons for excluding an awardee from pre-order contact in sufficient detail to convince the Ombudsman that excluded awardees were fairly considered for the order.</p>
<p>4. Contact one or more of the awardees.</p> <p>Potential types of contacts:</p> <ul style="list-style-type: none"> Requests for offers or quotes (written and/or oral). Factfinding related to an offer or quote (if any) or the contract's selection criteria. Discussions. Any combination of the above. 	<p>B4. Only request quotes or offers when necessary to comply with the contract's selection procedures and criteria. When evaluating offers or quotes, meet applicable standards for Units 35 through 41.</p> <p>When factfinding, meet the standards for Unit 43.</p> <p>When discussing terms, meet the standards for Units 44 and 45.</p>

The FAR does NOT require you to solicit offers or quotes (however informally) prior to placing an order. You may elect to solicit, evaluate, and/or negotiate terms of the order. Whether you conduct such order-by-order solicitations depends on the selection criteria and procedures in the task order contract.

Alternatively you can write the contract to explicitly avoid the "arms-length" solicitation and evaluation process characteristic of FAR Part 15 awards. Instead, the task order contract can call for consideration based on such factors as specific skills and past performance in partnering to reduce the total life cycle costs of Federal programs and improve their quality. Having selected an awardee on such criteria, the actual drafting of the statement of work and pricing of the work can be done collaboratively with the selected awardee. In this case, you would base

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Part B: Ordering

Tasks

Related Standards

price reasonableness on such evidence as cost information volunteered by the vendor, prices of comparable tasks, and recommendations from the awardee for reducing the overall life cycle cost of the Federal program supported by the contract. As is customary in industry, the contractors should be told upfront that the goal is to reduce program costs over time (while increasing program effectiveness) — and that the contractor is expected to add value by helping the buyer accomplish that goal (and will be so judged as part of the past performance evaluation).

5. Select an awardee for the task order.	B5. Properly adhere to selection criteria and evaluation procedures specified in the contract.
6. Negotiate terms of the order.	<p>B6. Negotiate any unsettled terms of the order (e.g., when you did not solicit and accept a complete proposal from one of the awardees).</p> <p>In pricing an order, the “competing independently” criterion for “adequate price competition” is satisfied when:</p> <ul style="list-style-type: none">• The price of the task is established in the contract at the time of contract award; or• The contracting officer solicits offers from two or more awardees for order placement. [§16.505(b)(3), FAC 90-33, Case 94-711] <p>When negotiating prices based on estimates of direct labor hours by skill category, comply with FAR policies on professional employee compensation, uncompensated overtime, and cost realism (<i>see AFIT/FAI textbooks for <u>Cost Analysis</u> and <u>Intermediate Contract Pricing</u></i>).</p> <p>When factfinding, meet the standards for Unit 43.</p> <p>When discussing terms, meet the standards for Units 44 and 45.</p>

UNIT 53 TASK ORDER CONTRACTING

Part B: Ordering

Tasks

Related Standards

<p>7. Prepare and issue the order.</p> <p>When informally soliciting offers and placing orders, there is no requirement for worldwide publicity (e.g., a CBD synopsis) under §5.201. [§16.505(a), FAC 90-33, Case 94-711]</p>	
<p>8. Respond to the appropriate “Task Order Contract And Delivery Order Contract Ombudsman”.</p> <p>This will be necessary if the Ombudsman has any questions about the manner in which an order was placed. An ombudsman is a senior agency official independent of the contracting officer. His/her job is to review complaints from awardees and ensure that all are afforded a fair opportunity to be considered, consistent with the procedures in the contract. [§16.505(b)(4), FAC 90-33, Case 94-711]</p> <p>GAO and GSBCA will not hear protests of the manner in which an order was placed with an awardee unless the protest alleges that the order increases the scope, period, or maximum value of the contract. [§16.505(a)(7), FAC 90-33, Case 94-711]</p>	
<p>9. Administer each order.</p>	<p>B9. Meet applicable standards from Units 54 through 83.</p>